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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6 1445 ROSS AVENUE, SUITE 1200 DALLAS, TX 75202-2733

JUL 3 0 1999

Mr. Larry A. Blair, P.E. Director
Public Works Department
City of Albuquerque
P.O. Box 1293
Albuquerque, NM 87103

Dear Mr. Blair:

I am pleased to inform you that the City of Albuquerque, New Mexico's pre-treatment pilot project has been selected to enter into the Project XL development phase. The City's Pretreatment Program Reinvention Pilot Project under Project XL is in response to the Agency's request for pre-treatment proposals in the June 23, 1998, <u>Federal Register</u> (Vol. 63 FR 34170).

We look forward to working with the City of Albuquerque and other appropriate stakeholders to develop a Final Project Agreement (FPA). The FPA will detail the commitments and expectations of all the parties.

Project XL was created to encourage innovative environmental strategies for the 21st century and to foster excellence and leadership in environmental protection. We believe your proposal exhibits good potential to accomplish these goals.

The first order of business is the continued development of a thorough stakeholder involvement plan. The City of Albuquerque has begun this process by holding the December 10, 1998, informational meeting in Albuquerque with potential stakeholders. The April 23, 1997, Federal Register (62 FR 19872) describes in more detail what the stakeholder process is and that the City should continue to fine tune the list and the description portion of stakeholder participants in the FPA describing the community, environmental groups, industry groups, the State, and the Pueblo of Isleta. An additional aid in developing a thorough stakeholder plan is the Project XL Stakeholder Involvement document. It can be found on the Project XL website at http://www.epa.gov/projectxl, or a hard copy of the document can be provided either by the Region 6 project lead or the Project XL Headquarters lead.

There are a number of areas of concern that must still be recognized. What occurs if the project fails to meet project expectations? Negotiations for the FPA will include provisions for: a "Soft Landing" plan - Plan and timetable for returning to compliance, if project fails to meet expectations or if the sponsor decides to end their participation; and a "Hard Landing" plan - FPA will set out conditions that if met would trigger a need or requirement for an immediate return to

compliance. As we discussed during our visit with your staff on June 29, 1999, the Agency will continue to work with you on the issues associated with modifying the interpretation of significant noncompliance (SNC), which was proposed in your February 25, 1999 submittal. In particular, we are interested in developing and articulating more specifically the environmental benefits associated with the City's proposal for identifying industrial user SNC (such as pollution prevention measures or other environmental improvements). While we both believe and are hopeful that we can develop a reasonable SNC interpretation in the spirit of the Project XL initiative, we also understand that the City of Albuquerque will continue to participate in this program even if we are unable to come to a mutual agreement on this aspect of the City's proposal. Lastly, we are interested in discussing a screening process and evaluation criteria for your Significant Industrial Users.

The EPA has assembled a project team to work with the City of Albuquerque and stakeholders on development of the final FPA. Our Agency team is led by Adele D. Cardenas of my staff and Chad Carbone of the Office of Reinvention in our Washington, DC, office.

Ms. Cardenas may be reached at (214) 665-7210 or via e-mail at cardenas.adele@epa.gov.

She will be in touch with you shortly to continue the stakeholder process and the next steps for project development of the FPA.

We are pleased to work with the City of Albuquerque in a process that holds such promise for environmental innovation.

Sincerely yours,

Gregg A. Cooke

Regional Administrator

cc: Honorable Jim Baca

Mayor, City of Albuquerque

Mr. Peter Maggoire Secretary, New Mexico Environmental Department

Mr. Robert Hogrefe

Industrial Pretreatment Program Manager, City of Albuquerque